

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI**

IN RE:

O&G LEASING, LLC

BANKRUPTCY PROCEEDING

CASE NO. 10-01851 EE

**JOINTLY ADMINISTERED WITH
PERFORMANCE DRILLING COMPANY, LLC
CASE NO. 10-01852 EE**

**RESPONSE TO MOTION OF FIRST SECURITY BANK, AS INDENTURE TRUSTEE,
FOR AN ORDER (A) ESTABLISHING SALES PROCEDURES IN CONNECTION
WITH SOLICITATION OF OFFERS FOR SALE OF CERTAIN ASSETS;
(B) APPROVING STALKING HORSE BID PROTECTION; AND
(C) SETTING NOTICE OF OBJECTION DEADLINES AND DATES OF HEARINGS**

COMES NOW Washington State Bank (“WSB”), by and through its attorney, and files this its Response to Motion of First Security Bank, as Indenture Trustee, for an Order (A) Establishing Sales Procedures in Connection with Solicitation of Offers for Sale of Certain Assets; (B) Approving Stalking Horse Bid Protection; and (C) Setting Notice of Objection Deadlines and Dates of Hearings (Docket No. 441), and in support thereof responds as follows:

1.

The First Security Bank, as Indenture Trustee (“FSB”) Motion is premature. First there needs to be a determination that there is going to be a sale. FSB has submitted a Plan for a sale. But, the Plan has not been confirmed.

2.

A sale has to comply with 11 U.S.C. §363. WSB has not consented to the sale and the sale through the Plan does not pay WSB in full.

3.

WSB files this Response as a protective response to make certain that the granting of FSB's Motion is not and shall not be construed as an approval of WSB or that WSB has consented to a sale under a Plan. WSB reserves all of its rights, claims, and defenses including, but not limited to, an objection to the FSB Plan and WSB rights and claims under the guaranty of Ben Turnage.

WHEREFORE, WSB requests the Court not to approve the FSB Motion without clarification of WSB's rights and defenses.

Respectfully submitted,

WASHINGTON STATE BANK

BY: s / Derek A. Henderson
DEREK A. HENDERSON
ATTORNEY FOR WASHINGTON STATE BANK

CERTIFICATE OF SERVICE

I, DEREK A. HENDERSON, do hereby certify that I have this date served the foregoing Response to Motion of First Security Bank, as Indenture Trustee, for an Order (A) Establishing Sales Procedures in Connection with Solicitation of Offers for Sale of Certain Assets; (B) Approving Stalking Horse Bid Protection; and (C) Setting Notice of Objection Deadlines and Dates of Hearings, via the ECF Notification Service, which provides electronic notice to the all parties of record and the following:

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Office of the United States Trustee
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This, the 15th day of August, 2011.

s / Derek A. Henderson
DEREK A. HENDERSON

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